

Illinois Retailers' Occupation and Use Taxes do not apply to the sale of tangible personal property for purposes of resale in any form as tangible personal property. See 86 Ill. Adm. Code 130.120(c). (This is a GIL).

October 12, 1999

Dear Xxxxx:

This letter is in response to your letter dated June 9, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

I am inquiring about a possible credit for the recycled use of raw material. We are a manufacturing plant that uses large quantities of raw material. Once contaminated, we should not use in our product. We have been able to recycle some of this contaminated material back into our product thereby reducing contaminated material that we have to dispose of. Please forward any information you have regarding this issue. If more information is needed, I can be reached at ####.

We are not sure what kind of credit you are asking about. There are no sales tax credits given for use of recycled materials.

You may be interested to know that Illinois Retailers' Occupation and Use Taxes do not apply to the sale of tangible personal property for purposes of resale in any form as tangible personal property. See 86 Ill. Adm. Code 130.120(c). As indicated in 86 Ill. Adm. Code 210 (see enclosed copy), sales of tangible personal property that goes into and forms a part of items that are subsequently sold are not sales at retail, 86 Ill. Adm. Code 130.210(b). Due to the limited information in your letter, we do not know if this exemption is applicable.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Martha P. Mote
Associate Counsel

MPM:msk
Enc.